

SENATE BILL 1078

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 5, Part 7, relative to real property taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-705, is amended by deleting the section in its entirety and by substituting instead the following:

§ 67-5-705.

(a) The legislative body of any county or municipality may provide by resolution or ordinance that:

(1) Any taxpayer sixty-five (65) years of age or older, who owns residential property as the taxpayer's principal place of residence, shall pay taxes each year on such property in an amount not to exceed the maximum amount of tax on such property imposed for the tax year during which the resolution or ordinance is adopted;

(2) Any taxpayer who reaches the age of sixty-five (65) after adoption of the resolution or ordinance, who owns residential property as the taxpayer's principal place of residence, shall thereafter pay taxes on such property each year in an amount not to exceed the maximum amount of tax on such property imposed for the tax year during which such taxpayer reaches the age of sixty-five (65); and

(3) Any taxpayer who is sixty-five (65) years of age or older, who purchases residential property as the taxpayer's principal place of residence after the taxpayer's sixty-fifth birthday, shall thereafter pay taxes on such property each year in an amount not to exceed the maximum amount of tax imposed on

such property for the tax year during which such property is purchased by such taxpayer.

(b) The resolution or ordinance shall also provide that, if the full market value of such property is increased as a result of improvements to such property after adoption of the resolution or ordinance, then the assessed value of such property shall be adjusted to include such increased value and the taxes on such property shall also be increased proportionally with the value.

(c) The resolution or ordinance shall further provide that any taxpayer or taxpayers who own residential property as their principal place of residence, whose total annual income from all sources exceeds sixty thousand dollars (\$60,000), shall not be eligible to receive tax relief authorized pursuant to this act.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.